

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
March 18 & 19, 2009**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on March 18, 2009, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair O'Neal, Bob Distler, Dick Ford, Carol Moser and Philip Parker.

MINUTES APPROVAL

It was moved by Commissioner Ford to approve the minutes of the January 13 & 14, 2009 meeting. The motion passed unanimously.

BONDING 101

Ellen Davis, Deputy Treasurer, Washington State Treasurer's Office, provided an overview of long-term municipal bond sales transactions and cash flows. She explained that the U.S. Treasury yields are at the lowest in decades and the market is tentative at this point in time. The size of borrowing has been adjusting downward and who is investing has changed over this period of financial chaos. She emphasized that the State of Washington has a stable AA or above credit rating because of its conservative budgetary controls and sound financial and debt policies. Some of the weaknesses include debt ratios that are above average and likely to increase, as well as the state's substantial capital needs. In closing she provided an overview of the bond sale process.

Commissioners asked questions about risk factors and credit ratings and discussed the process used to pay on the Tacoma Narrows Bridge bonds.

INRIX NATIONAL TRAFFIC SCORECARD

Bryan Mistele, President & CEO, INRIX, shared that INRIX is the nation's leading provider of private traffic data to government agencies. The company has brought unique innovations to the market that allows it to provide the most accurate and comprehensive traffic data to public and private customers throughout the United States.

Commissioners questioned how traffic data is collected, what it is used for and how public and private applications access the information for use in traffic management techniques.

COUNTY FERRY SYSTEMS REPORT

Jeff Monsen, P.E., Inter-Governmental Policy Manager, County Road Administration Board (CRAB), shared that the purpose of today's report is to provide a financial status relative to the operations of the county ferry system. There are currently four counties that operate ferry systems in the state. He emphasized that the four-county ferry system has the same list of issues as the state ferry system. He provided an overview of ridership, major revenue sources and annual operations and maintenance costs, noting that this system faces both mechanical and financial challenges to be sustainable.

Commissioners discussed state subsidy, dedicated local county taxes, fare box recovery and revenue deficits specific to each county ferry system.

ELDER-FRIENDLY TRANSPORTATION SYSTEMS

Shelly Zylstra, Planning Unit Director, Northwest Regional Council (NWRC), shared that NWRC serves a dual purpose as the council of governments representing Whatcom, Skagit, San Juan and Island Counties and as the Northwest Area Agency on Aging. She provided an overview of the state's demographics noting that the elder population will continue to grow to double in the next twenty years. Providing elder-friendly transportation involves interdisciplinary planning for roads and transportation and needs to involve the entire community. She described various things that can be done to provide vehicle and roadway safety and easier use of public transportation for older adults. In closing she emphasized that mobility is the name of the game.

Commissioners expressed interest in and support of community involvement in mobility for older adults.

WESTERN CLIMATE INITIATIVE – CAP & TRADE OVERVIEW

Spencer Reeder, Department of Ecology, explained that there are no federal limits on greenhouse gas emissions, and until recently there were no state limits in statute. We are headed in the direction of a low carbon economy and reduced emissions both federally and nationally to avoid the worst climate change impacts. Essentially cap-and-trade lets players choose at what price they will reduce their emissions through a permitting process. He explained that for some it is more profitable to reduce emissions and sell allowances. Where profit is a main driver for innovation and investment; addressing climate change requires both. The number of permits available is reduced each year, with the purpose of reducing greenhouse gas emissions, until the ultimate target has been achieved.

He pointed out that Washington state is ranked 42nd in the top 50 world-wide emitters of greenhouse gases, with 47 percent of those greenhouse gases coming from transportation. Cap and Trade does not single out transportation to make the reductions, but creates a pool of players to collectively reduce greenhouse gas emissions.

Commissioners discussed whether or not the cap & trade theory is equitable.

COLUMBIA RIVER CROSSING PROJECT UPDATE

Don Wagner, Southwest Region Administrator, WSDOT, provided an update on the status of the Columbia River Crossing project. He explained that the project addresses six problems: congestion, freight mobility, public transit, safety, bicyclist/pedestrians and earthquake safety. He noted that there are at least five transportation groups involved in the planning process that engage in conversations along with several sub-committees, WSDOT, ODOT and the U.S. DOT. Both Washington and Oregon Transportation Commissions as the tolling authorities will need to come together to set tolling policy. He explained that Federal funding will also play a role in the project, but at this time no funding has been allocated. In closing he explained that the next steps will be refinement of the locally preferred alternative, completion of a final EIS, obtain a federal record of decision and begin construction in 2012.

Commissioners discussed the mechanics of bonding a bi-state bridge and the complications of both states setting tolls as well as the ongoing maintenance and operations on facilities.

WASHINGTON TRAFFIC SAFETY COMMISSION – MOTORCYCLE SAFETY

Lowell Porter, Executive Director, Washington Traffic Safety Commission, shared that the Commission and WSP are making progress with traffic safety by using an integrated systems approach. He explained that motorcycle crashes have increased every year for the past nine years and represent 11 percent of highway fatalities even though motorcycles represent only 3 percent of the registered vehicles. SAFETEA-LU authorized a \$25 million state motorcycle safety grant program to support rider training and motorist awareness. He shared motorcycle fatality data from 1996 through 2008, noting that impairment and speeding are primary factors.

Lieutenant Michael Turcott, Washington State Patrol, provided an overview of counter measures that have been taken to have the most positive outcome.

Mr. Porter shared that in 2005 the Governor, DOL, WSP and the WTSC met to discuss how the state would respond to this trend. Out of this came the Governor's Motorcycle Task Force that includes members from state agencies and rider groups. The members came up with recommendations that include rider training curriculum and public awareness campaigns. In conclusion he explained that based on previous successes experienced in Target Zero initiatives it is believed that a reduction in motorcycle fatalities and serious injury crashes can be realized as seen in other modes of transportation.

Commissioners expressed their appreciation for the presentation and all of the hard work that has been put into safety for all modes of transportation.

TOLL OPERATIONS BENCHMARK REPORT

Robin Rettew, Senior Transportation Budget Assistant, Office of Financial Management, opened the presentation with an overview the Commission, WSDOT and OFM's roles and responsibilities in toll operations accountability.

Clint McCarthy, Budget Assistant, Office of Financial Management, explained that today's presentation will focus on the Tacoma Narrows Bridge TransCore contract. For the 2007-09 biennium \$17.5 million (60%) of the \$27.6 million budgeted for the Tacoma Narrows Bridge is for the TransCore contract. The contract covers toll collection (ETC and cash), staffing the toll booths and customer service, distribution of transponders and violation processing. In addition \$10.1 million pays for other operational costs such as WSP enforcement, WSDOT administration, credit card fees, bridge maintenance and preservation and insurance.

Commissioner Distler requested information on volume related savings to WSDOT through its contract with TransCore for an ETC user versus a cash user. He expressed that whatever the amount it should continue to be reflected in a gap between the ETC toll and the cash toll.

Mr. McCarthy moved on to share information on the ETC penetration rates noting that the TNB fairs favorably with other toll facilities that it was benchmarked against. In closing a brief overview of SR 167 HOT lanes toll and traffic data was presented and the recommended incentives for toll operations cost control were discussed.

Chair O'Neal read a short letter from Representative Seaquist that raises interest in a couple of points on the Toll Operations Benchmark Report and toll setting on the TNB.

Commissioners discussed the cost of bridge insurance, toll transactions (ETC and cash), performance benchmarks, traffic trends, and the development of other performance measures on tolled facilities.

TACOMA NARROWS BRIDGE TRAFFIC AND REVENUE UPDATE – TOLL SETTING TIMELINE

Craig Stone, Urban Corridors Administrator, WSDOT, shared that the Department is moving forward with the establishment of a Tolling Division. This division will be engaged in policy discussion on all potential toll facilities in the state.

Ted Trepanier, Director Traffic Operations and Amy Arnis, Chief Financial Officer, WSDOT, presented the TNB updated traffic and revenue data through February 2009.

Ms. Arnis explained that year to date reported versus projected traffic and revenue is not too far off. Although indications are that underlying traffic is dropping more than what was projected due to the economy. She presented a draft financial plan (FY 2010-2011) based on the preliminary March 2009 revenue forecast for review and discussion.

Mr. Trepanier emphasized that the Commission could push toll adjustments out a few months while the traffic and revenue data is tracked to see if the decline is a trend.

Commissioners discussed various line items in the financial plan expressing concerns regarding the variance in insurance cost and the decline in traffic and toll revenue, and the toll rate setting timeline.

It was moved by Commissioner Ford and seconded by Commissioner Moser to forward to the CAC a proposal to increase the ETC rate to \$3.25 with the cash toll remaining at \$4. The motion passed unanimously.

SECRETARY'S REPORT

Paula Hammond, Secretary, WSDOT, shared information regarding the Department's restructure of the State Rail and Marine Office, TNB toll revenue and expenditure accountability, an overview of possible WSDOT region boundary restructuring, Washington Jobs Now (stimulus plan) and Alaskan Way Viaduct legislation ESSB 5768.

WASHINGTON POLICY CENTER 2009 TRANSPORTATION SURVEY RESULTS

Michael Ennis, Director, Center for Transportation, Washington Policy Center, provided an overview of the traffic relief poll. He explained that the results of the poll indicated that reducing traffic congestion is important to most voters. The poll also revealed that most voters believe that state government's performance on reducing traffic congestion is not good. A majority of the voters supported a tax increase to help reduce congestion and state government should focus on fixing the chokepoints.

AVIATION SYSTEM DRAFT STRATEGIES

John Shambaugh, Senior Planner, Aviation Division, WSDOT, explained that the Aviation Planning Council is in the process of developing strategies to go out for public comment as part of the third and final phase of the Long-Term Air Transportation Study recommendations.

Commissioners discussed aircraft size and small airport utilization and public/private airport capacity and land use issues.

PUBLIC COMMENT

No public was available for comment.

COMMISSION BUSINESS

Agenda item deferred.

The Commission meeting adjourned at 3:00 p.m., on March 19, 2009.

If you would like additional detail on what occurred at any Commission meeting in Olympia, please refer to our web site at www.wstc.wa.gov and click on the link titled "Meeting Audio on TVW" under the 2009 Olympia Meetings section of the home page. There you will be able to access the full audio recording of the meeting. If you have questions please contact our office at 360-705-7070.

WASHINGTON STATE TRANSPORTATION COMMISSION

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CAROL MOSER, Member

DICK FORD, Member

ROBERT S. DISTLER, Member

ABSENT
LATISHA HILL, Member

PAULA HAMMOND, Ex-Officio Member
Secretary of Transportation

JENNIFER ZIEGLER, Governor's Office

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL